

MINUTES OF
THE INDIANAPOLIS LOCAL PUBLIC IMPROVEMENT BOND BANK

Minutes of the Regular Meeting of the Board of Directors

September 20, 2010

MEMBERS PRESENT: Briane House
 Sahara Williams
 Jim Carr
 Justin Christian
 Fred Miller

BOND BANK PRESENT:

Deron Kintner	Monica Durrett
Jacqui Fitzgerald	Dario Requiz
Laurie Canatsey	Isaiah Kuch

OTHERS PRESENT:

Kostas Poulakidas, Kreig DeVault	John Kirkwood, Krieg DeVault
Kim Wilson, UMB Bank	Katie Aeschliman, Harris Bank
Greg Reynolds, Blaylock, Robert Van	Curt Fritch, CRF Group
Lenard Berry, Backstrom, McCarley	Molly Williams, IDI
Jim Merten, City Securities	Amy Kotzbauer
Sharon Karst, Bank NY Mellon	Charlie Wise, KeyBank
Sue Beesley, Bingham McHale	Eric Rockhold, JP Morgan
Eric Green, Backstrom, McCarley	Tamara Zahn, IDI
Bob Kocher, BNY Mellon	Dennis Otten, Bose McKinney
Angie Steeno, Crowe Chizek	Nancy Dorsa, JP Morgan Chase
Steve Meno, Fifth-Third	Dennis Otten, Bose McKinney
David Girton, Andes Capital Group	Joe Britt, Wells Fargo
Jay Ryals, Fifth-Third	Dawn Tabler, KeyBank
Jean Landy, U.S. Bank	Brad Bingham, Barnes & Thornburg
Terry Leffew, Raymond James	

A Regular Meeting of the Indianapolis Local Public Improvement Bond Bank (“Bond Bank”) convened at 12:00 noon, Monday, September 20, 2010 in the City-County Building, 200 East Washington Street, Suite 107, Indianapolis, Indiana, pursuant to notice given in accordance with IC 5-14-1.5. Mr. House called the meeting to order after determining that a quorum was present.

Mr. House asked for the approval of the minutes from August 30, 2010. Mr. Christian made the motion to approve, seconded by Ms. Williams. All voted in favor and the motion passed.

The first item to be considered was Resolution No. 12- Clarian Project. Mr. Kintner stated that the resolution authorizes the Bond Bank to purchase bonds from the City of Indianapolis relative to an economic development project located in the 16th & Illinois Street corridor. He stated that the project is a good project for the City. He introduced Amy Kotzbauer, a consultant for Clarian, who presented an overview of the project to the Board. Ms. Kotzbauer stated that the goal was to unify the ownership of the area of underutilized, abandoned, vacant properties and form a development that would be a job creator. The development team looked at ways to tie the project to Clarian's ongoing master-planning and the Bio-Crossroads effort. She presented slides to the Board of the development team's goals. She stated that there would be construction of a new Neuroscience Center at a cost of \$105 million, and the second component would be an administrative office building that would be located at the corner of 16th and Capitol, at a cost of \$88 million. She then stated that the partners in the project are Shiel Sexton Real Estate, Clarian Health Partners, Indiana University and Landmark Healthcare Facility. She stated that there are currently 1,200 jobs at both locations, and there will be an additional 1,200 jobs created by this project.

She went on to explain that the Neuroscience Center is a three-phase project. The first phase would begin construction in December 2010 with an anticipated completion date April 2012. The first phase will include the construction of 50,000 sq. ft. of research and medical space and a 950 space parking garage. There will be two more phases for the neuroscience building anticipated for 2014.

The second project, the administration building, will have two phases. Phase-I will include 280,000 sq. ft. of office and medical space and will also include a 1300 car parking facility. The project will involve the relocation of Indianapolis Fire Department Station No.5. Phase-II will consist of 175,000 sq. ft. of additional medical office space and should be complete by 2014-2015.

Ms. Kotzbauer then stated that the public benefit of the project is an investment in Center Township of \$192 million, with 1,200 jobs retained and 1,200 jobs created. There would be approximately 1,700 construction jobs in Phase I. The project would include upgrading public safety and parks facilities, as well as remediating of several brown-field sites and demolition of unsafe buildings. She stated that there will be several properties that are currently tax-exempt that would become tax generating after the project.

Mr. Kintner explained the financial benefits of the project. The City's contribution will not exceed \$38 million and will go towards the public components of the project, which will include parking facilities, utility upgrades, streetscapes, and construction of the fire station. The repayment source is the Consolidated TIF District revenues, with the term of the debt at 25 years. The current projected interest rate is 4.53%. The projected annual TIF revenues are \$3.868 million and the projected annual debt service is \$3.4 million. Mr. Kintner then stated that the project would generate profit to the city of \$400,000 annually from property taxes. He explained the coverage, local return on investment and the combined state and local return on investment. He also gave an overview of the revenue sources. Mr. Kintner stated that over the course of the 25-year term, the City would pay \$71 million in debt payments, with the total local revenues generated being \$93 million, thereby yielding a \$22 million profit.

Mr. Christian asked about the MBE/WBE participants in the project. Mr. Kintner stated that it would be in-line with all of the other City projects as required by Mayor Ballard. Mr. Christian then asked if the project was being managed by Clarian and Shiel Sexton. Ms. Kotzbauer stated that the Neuroscience Center would be managed by Clarian and the administrative office would be managed by Shiel Sexton. Mr. Christian wanted to know how the City would maintain over-site with private management. Mr. Kintner stated that the requirements for MBE/WBE participation would be included in the project agreement and Department of Metropolitan Development (“DMD”) would oversee the requirements to ensure the private contractors carry them out. Mr. House asked if the 1,200 new jobs were entry level. Ms. Kotzbauer gave a breakdown of the different salary structures for the jobs that would be generated, which includes both entry and higher level.

Mr. House asked for a motion to approve Resolution. No.12. Mr. Christian made the motion to approve, seconded by Ms. Williams. All voted in favor, with Mr. Miller abstaining and the motion passed.

Mr. Kintner gave a brief update on upcoming projects. He stated that a new economic development project will be presented to the Board in October. The project presented involves AIT Laboratories, and is a smaller-scale project in comparison to the recent projects the City has undertaken. He then explained to the Board a hand-out prepared by J.P. Morgan illustrating the historically low interest rates in the bond market today.

There were no other questions. Mr. House asked for a motion to adjourn. Mr. Carr made the motion, seconded by Mr. Christian. All voted in favor and the meeting was adjourned at 12:25 p.m.